

Strategic planning is critical for business success

February 19, 2017

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Strategic planning is one of the most popular but least frequently implemented New Year's resolutions for middle-market business owners. While most business owners agree that strategic planning can provide a roadmap to drive their business growth, long-term survival and profitability, many fail to devote the necessary time, energy and resources to do it right, if at all.

When they do get around to developing strategic plans, they often do it haphazardly and without proper process, strategy or buy-in from key stakeholders. Plans often sit on shelves garnering more attention from dust and mites than from company executives.

To be clear: Strategic plans, which provide practical roadmaps for implementing and managing an existing company's strategic direction, differ from business plans, which are used for starting businesses, obtaining funding or directing operations.

The following is some practical guidance based on our experience counseling middle-market business owners in all stages of a company's business cycle.

First, identify the right management team members to participate in developing your plan. Their support and execution will be critical, so engage them upfront. Broader participation enables you to draw from a wider pool of experience, views and opinions. Moreover, team members who have worked



for other companies bring valuable insight regarding what might work and what might not.

Consider where you want your business to be in the next 12 months, 24 months and five years. Envision revenues, growth, employees, locations, products and services offered, etc. A good strategic plan should cover five years and be continuously reviewed and modified.

Key elements considered should include:

- Vision: a bold, inspirational, aspirational statement setting the direction for your company's future, describing your identity and *raison d'être*
- Mission: While your vision statement is forward-looking, your mission statement describes what you do today, for whom, and how
- Values: a description of your beliefs that will enable you to achieve your vision and mission. As an example, look at the core values of private equity firm Roark Capital Group: roarkcapital.com/CoreValues
- SWOT: an evaluation of your company's strengths, weaknesses, opportunities and threats, which helps you identify priority focus areas for your strategic plan. You must be honest with yourself
- Goals: approximately five statements explaining how you will make your vision reality
- Objectives: Each of your goals should be supported by approximately five "SMART" (specific, measurable, achievable, realistic and time-based) objectives to help advance them.
- Action plans with key performance indicators: Each objective should have an action plan showing how it will be achieved, along with KPIs to enable evaluation and adjustment to ensure success.

Based on these considerations, develop a strategic plan outline and focus on the top five to seven key areas that can help drive your business goals. Build into your plan a time line for routine evaluation to ensure you meet your goals. Remember, success is about execution. A good book to read is: "[Execution: The Discipline of Getting Things Done](#)" by Larry Bossidy and Ram Charan.

Failure to keep a close pulse on emerging industry developments and to remain nimble to adapt contributed to the demise of companies like Polaroid and Blockbuster Video. Stay apprised of how you are perceived, who you are, what you have done and what you need to do to succeed. Work with experts to evaluate and update everything from your branding to your product offerings. Determine what external forces might hurt your business. Consult your board of directors and/or strategic advisers to provide counsel and tactical support. Asking for help or advice is never dumb; not asking is.

Another important point: Be proactive. Evaluate your people, business lines and customers. Eliminate the wrong ones and invest in the right ones.

Creating a strategic plan is only the first part of the battle. The real challenge is implementing it and keeping it updated. However, my experience has confirmed that companies that do this right gain greater control of their destinies and position themselves for survival and success.

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